

HUMAN RESOURCES

MORE EMPLOYERS OFFER CAREGIVER LEAVE AS NEED MOUNTS

A NEW survey found that many employers plan to add or expand caregiver leave over the next two years as they contend with workforce burnout, changing family dynamics and competition for talent.

According to WTW's "2025 Absence, Disability and Medical Leave Survey," caregiver leave is expected to see the fastest growth of any leave benefit over the next two years, even as only a handful of states require it by law. Rather than waiting for mandates, many employers are proactively adding caregiver leave to remain competitive for talent and responsive to employee needs.

The shift comes as caregiving demands intensify across a multigenerational workforce. Many employees are juggling work with caring for children, aging parents or other dependents, often with limited financial or workplace support.

Employers are finding that caregiver leave can help reduce stress and burnout, improve morale and productivity and support retention in a tight labor market where replacing workers is increasingly expensive.

The importance of caregiver leave

Nearly one quarter of U.S. adults are part of the so-called "sandwich generation," caring for both children and aging parents, according to another report. These employees often provide about 20 hours of unpaid care per week and may spend \$10,000 to \$11,300 a year out of pocket to support family members.

Best practices

When setting up a caregiving leave program, experts recommend:

- Defining caregiving broadly, covering care for children, parents, spouses, domestic partners, and other dependents.
- Coordinating leave with Family Medical Leave Act and state programs to avoid duplication and ensure compliance.
- Setting clear eligibility and documentation standards while keeping the process simple for employees.
- Training managers to handle workload planning and employee conversations consistently.

Although caregiver leave may qualify under the Family and Medical Leave Act (FMLA), it is typically unpaid unless employers offer wage replacement. That financial strain can increase stress and burnout, pushing some caregivers to reduce their hours, change jobs or leave the workforce entirely.

How employers can implement caregiver leave

Employers considering caregiver leave often start by integrating it into their existing leave or paid time off structures.

Common approaches include offering a defined number of paid leave days per year, allowing caregiving use of banked personal time off or layering caregiver leave on top of state paid family leave programs.

The takeaway

From a business standpoint, caregiver leave can help mitigate turnover risk.

As caregiving responsibilities continue to affect a larger share of the workforce, caregiver leave is emerging as a practical, targeted benefit that supports employees while helping employers attract and retain talent in a competitive labor market.



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Work With Us to Evaluate Your Voluntary Benefits

Action items

Employers and HR leaders may want to consider:

- Confirming whether each voluntary benefit arrangement is intended to be ERISA-covered or exempt — and documenting that determination.
- Reviewing contracts to clarify fiduciary roles, responsibilities and delegation.
- Increasing transparency around broker and vendor compensation, including commissions and incentives.
- Benchmarking premiums and insurer loss ratios against the

broader market.

- Documenting benefit selection decisions and the rationale behind them.
- Strengthening employee decision support and education to demonstrate a focus on participant outcomes.

If you have voluntary benefits, we can sit down with you to go over your policies and the choices in the marketplace.